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S.B. CIVIL MISC. APPEAL NO.1446/2005.
Smt. Mooli & Anr. Vs. Madan Lal & Ors.

Date of Order :: 13th August 2007.

HON'BLE MR. JUSTICE DINESH MAHESHWARI

Mr. M.L. Khatri, for the appellants.
Mr. Anil Bachhawat with
Mr. Santosh Choudhary, for the respondent No.3.

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BY THE COURT:

In view of the short question involved, and at the request of the learned counsel for parties, the matter has been heard finally at this stage.

Under the impugned common award dated 06.12.2004 in relation to Claim Case No.145/2001, the Tribunal has awarded total compensation in the sum of Rs.5,000/- for one simple injury each sustained in a vehicular accident by the claimant No.1 Smt. Mooli and her five months old daughter, claimant No.2 Kumari Kaushalya. However, while awarding compensation in such a meagre amount of Rs.5,000/-, the Tribunal has proceeded to restrict award of interest @ 6% per annum only from the date of passing of award.

Learned counsel Mr. M.L. Khatri for the appellants, in all fairness, has submitted that even if enhancement towards the principal amount of award is not considered for the case being of

simple injury, the Tribunal has obviously been in error in awarding interest only from the date of award. Learned counsel Mr. Anil Bachhawat appearing for the respondent-insurer though supported the impugned award but could not justify the proposition adopted by the Tribunal in allowing interest only from the date of award.

This Court in the case of Rajiv Vs. Sumer Singh & ors: 2007(3) R.L.W. 1883 has observed,-

> "The provisions of Section 171 of the Motor Vehicles Act, 1988 have specifically been enacted so as to empower the Claims Tribunal to order awarding of simple interest at the reasonable rate from a date not earlier than the date of making the claim and this Court is of opinion that it shall be a travesty of justice if the provisions so contained in the beneficial legislation be not given their true meaning and effect; and if award of interest be curtailed with mere counting of months and days while ignoring the ground realities."

In view of Section 171 of the Act and the decision of this Court in Rajiv (supra), the proposition of restricting awarding of interest only from the date of award cannot be sustained and is required to be corrected by allowing interest from the date of filing of the claim application.

As a result of the aforesaid, this appeal succeeds and is partly allowed to the extent indicated above. While the award of compensation in the sum of Rs.5,000/- to the claimants-

appellants is maintained, the proposition of disallowing interest from the date of filing of claim application is set aside and the claimants are held entitled for interest at the rate of 6% per annum from the date of filing of claim application until payment. Remaining amount now payable as a result of this modification shall be deposited by the respondent-insurer with the Tribunal within 30 days from today. No costs.

(DINESH MAHESHWARI), J.

Mohan/